

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE UNION LIGHT, HEAT AND POWER)	
COMPANY S APPLICATION FOR)	CASE NO.
APPLICATION FOR CERTIFICATE OF)	99-339
PUBLIC CONVENIENCE AND NECESSITY)	

O R D E R

On August 10, 1999, The Union Light, Heat and Power Company ("ULH&P") filed with the Commission its application seeking a Certificate of Convenience and Necessity to qualify it to bid on a gas franchise in the Kentucky cities of Silver Grove and Melbourne.

In addition, ULH&P requested approval for a Certificate of Public Convenience and Necessity to construct, own, and operate a natural gas pipeline to serve the above-mentioned cities. However, the Commission finds that ULH&P s application does not conform with the requirements set forth in Administrative Regulation 807 KAR 5:001, Section 9(2).

Under the provisions of KRS 278.020(3), no utility may apply for a franchise from any governmental agency until it has obtained a Certificate of Convenience and Necessity from this Commission based on our finding that there is a need and demand for the service sought to be rendered.

The Commission determines that there is evidence of a need and demand for gas service in the above-mentioned cities. Since the Commission's authority in such matters is limited by statute to finding only whether there is a need and demand for the service sought

to be rendered, no finding or determination is made as to the qualifications of the bidder, the validity of any of the provisions of the franchises offered by said city, or the manner in which any franchise fee is to be treated for rate purposes.

IT IS THEREFORE ORDERED that:

1. ULH&P's request for approval of a Certificate of Public Convenience and Necessity to construct, own, and operate a natural gas pipeline is denied.
2. ULH&P is granted a Certificate of Convenience and Necessity that authorizes it to bid on a franchise in the above-mentioned cities.
3. ULH&P, if it becomes the successful bidder, shall file with this Commission two copies of each franchise agreement.
4. This Order shall not be construed as granting a Certificate of Convenience and Necessity to construct utility facilities in said city.

Done at Frankfort, Kentucky, this 31st day of August, 1999.

By the Commission

ATTEST:

Executive Director